

*Federal Trade Commission
Advisory Committee on Online Access and Security--Nomination, POO4807*

Wallace Snyder, the American Advertising Federation

In accordance with your December 20, 1999, notice in the Federal Register, the American Advertising Federation (AAF) would like to nominate AAF President and CEO Wallace Snyder to the FTC Advisory Committee on Online Access and Security.

Background on the AAF

The American Advertising Federation is the only trade association that represents the advertising industry in its entirety. We represent the interests of 50,000 advertisers, ad agencies, media companies, direct marketers, online publishers, and many other advertising disciplines on the business and policy issues that affect the industry as a whole.

The AAF's 115 corporate members are among the nation's leading brands, corporations, and media conglomerates. They include AmericaOnline, DoubleClick, AdForce, and 24/7 Media; major advertisers like AT&T, VISA, Procter & Gamble, and DaimlerChrysler; the leading ad agencies and their interactive/digital units; and major media companies including *The New York Times*, *The Wall Street Journal*, the broadcast and cable networks, and major magazine groups.

AAF also is the small business arm of the advertising industry. Our national network of 207 ad clubs and local ad federations represents individuals and small companies that embody the grassroots backbone of the advertising industry in local markets. These clubs include a multitude of online ad agencies and e-commerce startups such as Law.com, TheStreet.com, Women.com and BedandBreakfast.com.

Finally, the AAF invests in the future of the industry. Through more than 250 college chapters, we connect industry with advertising students pursuing careers in traditional advertising, and increasingly in e-marketing, e-advertising and e-commerce. The AAF Foundation, Inc., a 501(c)(3) affiliate, is a not-for-profit educational foundation devoted exclusively to the support of educational programs that advance the mutual interests of industry and academia.

AAF's Role in Consumer Protection and Fair Information Practices

Under the direction of Mr. Snyder, the American Advertising Federation has played a leading role on issues pertaining to fair information practices, consumer protection, and industry self-regulation.

On the issue of privacy, the AAF has aggressively promoted the adoption and implementation of privacy policies and practices. The AAF was an early member of the Online Privacy Alliance, a coalition encouraging actions that create trust and foster protection of individuals' privacy online.

Separately, the AAF has launched a consumer protection initiative designed to increase the number of small advertising and marketing businesses with online privacy policies. The AAF has developed and distributed sample privacy policies that small businesses can adopt, adapt, or mix and match to suit their needs. (See attached.)

The AAF has established an Online Task Force of members who can provide guidance, counsel, and input on programs that support the growth of responsible online advertising and issues that impede its implementation and acceptance. This task force includes delegates representing a cross section of the advertising industry, including online publishers, interactive ad agencies, and the online ad networks that serve as third party ad servers. A list of the task force members is attached.

In some cities, AAF student chapters are working with online startups on specific research projects to identify and respond to some of the new advertising and marketing challenges facing companies doing business on the Internet. This relationship affords students practical experience and exposure to business issues they will confront upon entering the workforce and enables startups to obtain invaluable research they otherwise might not be in a position to afford.

The AAF also has demonstrated its commitment to protect consumers through self regulation on a myriad of other fronts over the years:

- The Association was one of three advertising associations that founded the National Advertising Review Council with the Council of Better Business Bureaus in 1971 to foster truth and accuracy in advertising. Funded by the ad industry, this self-regulatory body established three divisions to protect consumers from deceptive and unsubstantiated advertising: the National Advertising Division, the National Advertising Review Board, and the Children's Advertising Review Unit to evaluate advertising targeted at kids;
- The AAF worked with the Commission and the Federal Reserve Board on an educational campaign to help consumers understand information about costs and terms in car leasing advertisements;

- The Association worked with the Commission and other industry groups to develop an advertising campaign and materials to alert consumers to deceptive and fraudulent telemarketing practices aimed at older Americans; and
- The AAF has been working with legislators and an Inter-Agency Council to examine advertising and media buying practices that affect multi-cultural consumers. AAF has established a blue-ribbon panel representing all stakeholders that is looking at business principles that promote equity in media buying and selling.

Background on Wallace Snyder, AAF President and CEO

Wallace Snyder is uniquely qualified to serve as the ad industry's representative on the Advisory Committee on Online Access and Security. As president of the AAF, he alone speaks for all the advertising disciplines that would be affected by fair information practices governing consumer access to and security of data.

Mr. Snyder has the ear of a diverse Board of Directors representing major companies in vertical market sectors ranging from health care, pharmaceutical and cosmetics to financial services, packaged goods and automobiles. These are the companies that will be directly affected by the access and security issues before the Advisory Committee. Their input on parameters of reasonable access, sensitivity of different data, costs associated with access and security, and standards for judging effectiveness is critical to the Committee's success.

The questions surrounding access and security are part and parcel of issues Mr. Snyder and his staff have been looking at for the past two years. The AAF is a participant in working groups that are studying barriers to consumer acceptance of online advertising and commerce, such as that of the FAST (Future of Advertising Stakeholders) Coalition organized by Procter & Gamble and the focus groups on privacy conducted by the Online Privacy Alliance.

In addition, Mr. Snyder brings a singular understanding of the regulatory process and the FTC's interests in fair information practices from his 16 years with the Federation Trade Commission's Bureau of Consumer Protection. As Associate Director of the Division of Advertising Practices, it was his mandate to help carry out the FTC's mission to protect consumers against unfair, deceptive or fraudulent practices.

Summary

The AAF appreciates the opportunity the Commission has extended to the ad industry and other stakeholders who seek to build consumer trust in the electronic marketplace. The AAF looks forward to working with the Advisory Committee to improve consumers' access to information and the security of that information in a manner that is feasible for everyone concerned.

It is in the interest of consumers, advertisers and policy makers to create fair information practices that safeguard consumer privacy yet enable marketers to deliver more relevant information that fosters greater competition and innovation. The AAF welcomes the opportunity to provide advice and recommendations on options for implementation so both consumers and business can take advantage of the full potential this medium has to offer. We share the Commission's view that self-regulatory programs are key to building consumer confidence in the new electronic marketplace.

Addendum

American Advertising Federation

Online Task Force

Wenda Millard
Executive Vice President, Marketing & Sales
DoubleClick, Inc.
North America

Jeannette McClennan
President
Ogilvy Interactive,

Martin Nisenholtz
CEO
Professor, Advertising
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Austin

Jef Richards,
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Bob Colvin
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Kurt Indvik
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Chris Wilhelm
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